

Re: Structuring

January 1999

THE NATIONAL COUNCIL ON COMPETITION AND THE ELECTRIC INDUSTRY

<http://eetd.lbl.gov/NationalCouncil/>

New Report on Consumer Protection

How have states responded to the need for consumer protection and universal service regulation for competitive electricity markets? Barbara R. Alexander, Consumer Affairs Consultant, has completed a report for the U.S. Department of Energy called "A Blueprint for Consumer Protection for State Electric Retail Competition" that summarizes the state policy initiatives in this area and discusses the basis for strong state consumer protection regulation of competitive electricity and gas suppliers. Most participants in the restructuring debate agree that the general public will not consider the prospect of theoretically lower prices in the future as a sufficient tradeoff if the new market also means an increase in fraud, customer confusion, complaints and inability to understand and participate in the new market structure. For this reason, consumer protection issues are crucial to the public's acceptance of the new market structure.

This Blueprint is primarily aimed at state-level decision-makers in states that have not yet adopted electric restructuring legislation, presenting examples from states that have progressed to the implementation stage. The report, which includes an Appendix with excerpts from state electric restructuring legislation on consumer protection issues, will soon be distributed to select state decision-makers, and will be available from the Regulatory Assistance Project website, www.rapmaine.org. For additional information contact Barbara Alexander, Consumer Affairs Consultant, 15 Wedgewood Dr., Winthrop, ME 04364 (Tel: 207/395-4143 or e-mail: barbalex@ctel.net).

Upcoming Council Activities

- Co-sponsorship of an Executive Dialogue on Electric System Reliability, to be held April 15-16, 1999 in Dallas, Texas.
- Co-sponsorship of the Rocky Mountain Utility Restructuring Workshop, to be held in April 1999 in Denver, Colorado.
- Continuing work on mid-atlantic and midwest disclosure collaboratives.

LEAP Letter

The National Council is pleased to provide each state senate, assembly, and regulatory commission with the latest issue of the LEAP Letter, which includes detailed information on the status of electric industry reform. Our contract with the publishers of the LEAP Letter allows each of these recipients to reproduce up to 10 copies of the LEAP Letter for internal use (e.g., legislative committee members, senior staff, librarians). We encourage you to do that!

Highlights of Recent Council Activities

In recent months, the National Council:

- Continued to work with a collaborative of energy policymakers from 11 western states on the development of uniform disclosure materials for use throughout the region. The collaborative has developed a draft model rule for disclosure as well as a memorandum of understanding that outlines a uniform approach to tracking power sales.
- Provided technical assistance, in the person of Karl Rabago, on public benefits to a joint legislative committee on public benefits in Wisconsin. This activity was done cooperatively with NCSL.
- Participated in the Sixth DOE-NARUC National Electricity Forum that was held in conjunction with the World Energy Congress in September in Houston, Texas.
- Published four additional reports in the Disclosure Series in October (see the reverse side).

National Council

The National Council on Competition and the Electric Industry web site is:

<http://eetd.lbl.gov/NationalCouncil/>

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National Council Publications on Electric Industry Restructuring

Research Reports

Federal, State, and Local Tax Implications of Electric Industry Restructuring (Deloitte & Touche, 1996)

Assessing Impacts of Restructuring on Small Business, Residential, and Low-Income Customers (Roger D. Colton, 1996)

The Unintended Impacts of Restructuring (Dave Schoengold, 1996)

The Organization of Competitive Wholesale Power Markets and Spot Price Pools (Paul A. Centolella, 1996)

Stranded Benefits in Electric Utilities Restructuring (Nancy Brockway & Michael Sherman, 1996)

The British Electric Utility Restructuring Experience: History and Lessons for the U.S. (Michael C. Brower, Stephen D. Thomas, & Catherine Mitchell, 1996)

Regulation and Competition Without Privatization: Norway's Experience (Jan Moen & Jan Hamrin, Printed in *The Electricity Journal*, March 1996)

Public-Interest Research and Development in the Electric and Gas Utility Industries (Carl Blumstein, Richard Scheer, and Stephen Wiel, 1998)

Briefing Papers

Customer Choice (Cheryl Harrington, 1996)

Electric Utility Transition Costs (Eric Hirst & Lester Baxter, 1996)

Market Power in the Electric Utility Industry: An Overview (William Shepherd, 1997)

Restructuring Issues Associated with Nuclear Power Plants (William B. Marcus, 1997)

Regional Issues in Restructuring the Electric Industry (Sue Tierney, 1998)

Other

Council Design Criteria List (Jan Hamrin, 1995)

Six Generic Restructuring Models (Jan Hamrin, 1995)

A Glossary of Restructuring Terms

Disclosure Series

Full Environmental Disclosure for Electricity: Tracking and Reporting Key Information (David Moskovitz et al., July 1997)

Information Disclosure for Electricity Sales: Consumer Preferences from Focus Groups (Alan S. Levy et al., July 1997)

Disclosure of Fuel Mix and Emissions by Retail Electric Service Providers: Issues of Confidentiality vs. Public Right to Know (Scott Hempling, July 1997)

Information Disclosure for Electricity Sales: Consumer Preferences from Focus Groups, Report 2 — West Coast (Mario Teisel et. al., 1997)

Information Disclosure for Electricity Sales: Consumer Preferences from Focus Groups, Report 3 — Rocky Mountain West (Lynn Halverson & Edward Holt, 1997)

Uniform Consumer Disclosure Standards for New England: Report and Recommendations to the New England Utility Regulatory Commissions (Tom Austin et al., January 1998)

Information Consumers Want in Electricity Choice, Summary of Focus Group Research (Ed Holt, January 1998)

Summary Report, Baseline Survey — Consumer Knowledge, Practices, and Attitudes, Electric Utility Deregulation and Consumer Choice (Kenneth Winneg et al., January 1998)

Model Electricity Consumer Protection Disclosures (Jerrold Oppenheim and Barbara Alexander, October 1998)

Label Testing: Results of Mall Intercept Study (Kenneth Winneg et al., October 1998)

Consumer Research on Tracking Approaches and Product Versus Supplier Labeling (Melissa J. Herrman and Brian Roe, October 1998)

A Summary of Research on Information Disclosure: Synthesis Report (David Moskovitz, et al., October 1998)

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